

**Union Calendar No. 221**

106TH CONGRESS  
1ST SESSION

**H. R. 2300**

**[Report No. 106-386]**

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**A BILL**

To allow a State to combine certain funds to improve the academic achievement of all its students.

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OCTOBER 15, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1999

Mr. GOODLING (for himself, Mr. HASTERT, Mr. ARMEY, Mr. DELAY, Mr. WATTS of Oklahoma, Mr. CASTLE, Mr. HOEKSTRA, Mr. BALLENGER, Mr. McKEON, Mr. BOEHNER, Mr. SCHAFER, Mr. NORWOOD, Mr. HILLEARY, Mr. DEAL of Georgia, Mr. FLETCHER, Mr. TANCRED, Mr. DEMINT, Mr. TALENT, Mr. GRAHAM, Mr. SALMON, Mr. PETRI, Mr. McINTOSH, Mr. GREENWOOD, Mr. SAM JOHNSON of Texas, Mrs. NORTHUP, Ms. PRYCE of Ohio, Ms. GRANGER, Mr. MILLER of Florida, Mr. SESSIONS, Mr. FRANKS of New Jersey, Ms. DUNN, Mrs. MYRICK, Mr. BAKER, Mr. METCALF, Mr. HILL of Montana, Mr. PITTS, Mr. SUNUNU, Mr. HERGER, Mr. HEFLEY, Mr. HASTINGS of Washington, Mr. BARTLETT of Maryland, Mr. DOOLITTLE, Mr. BLILEY, Mr. GARY MILLER of California, Mr. McINNIS, Mr. BACHUS, Mr. BLUNT, Mr. STUMP, Mr. FORBES, Mr. SMITH of Michigan, Mr. DICKEY, Mr. PETERSON of Pennsylvania, Mr. LEWIS of Kentucky, Mr. HALL of Texas, Mr. HAYES, Mr. CANNON, Mr. SMITH of New Jersey, Mr. SHAYS, Mr. PORTMAN, Mr. PACKARD, Mr. ROYCE, Mr. KNOLLENBERG, Mr. EWING, Mr. COOK, Mr. POMBO, Mr. TERRY, Mr. CHAMBLISS, and Mr. HOSTETTLER) introduced the following bill; which was referred to the Committee on Education and the Workforce

OCTOBER 15, 1999

Additional sponsors: Mrs. CHENOWETH-HAGE, Mrs. EMERSON, Mr. REGULA, Mr. CUNNINGHAM, Mr. ADERHOLT, Mr. BARR of Georgia, Mr. COBURN, Mr. WELDON of Pennsylvania, Mr. FOSSELLA, Mr. ISAKSON, Mrs. ROUKEMA, Mr. SOUDER, Mr. SWEENEY, Mr. GREEN of Wisconsin, Mrs. BONO, Mr. BARTON of Texas, Mr. SENSENBRENNER, Mr. KING, Mr. HAYWORTH, Mr. WOLF, Mr. COLLINS, Mr. DREIER, Mrs. FOWLER, Mr. STEARNS, Mr. NETHERCUTT, Mr. WELDON of Florida, Mr. KINGSTON,

Mr. COX, Mr. LUCAS of Oklahoma, Mrs. WILSON, Mr. THORNBERRY, Mr. WICKER, Mr. RYUN of Kansas, Mr. HUNTER, Mr. BRADY of Texas, Mr. CANADY of Florida, Mr. LEWIS of California, Mr. NUSSLE, Mr. SMITH of Texas, Mr. OSE, Mrs. CUBIN, Mr. RADANOVICH, Mr. HYDE, Mr. SPENCE, Mr. GILLMOR, Mr. BURTON of Indiana, Mr. SHIMKUS, Mr. LINDER, Mr. VITTER, Mr. LARGENT, Mr. TIAHRT, Mr. UPTON, Mr. BONILLA, Mr. TOOMEY, Mr. KOLBE, Mr. GIBBONS, Mr. GOSS, Mr. CHABOT, Mr. SHADEGG, Mr. GOODLATTE, and Mr. OXLEY

OCTOBER 15, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on June 22, 1999]

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## A BILL

To allow a State to combine certain funds to improve the academic achievement of all its students.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Academic Achievement*  
5 *for All Act (Straight A’s Act)”.*

6 **SEC. 2. PURPOSE.**

7 *The purpose of this Act is to create options for States*  
8 *and communities—*

9 *(1) to improve the academic achievement of all*  
10 *students, and to focus the resources of the Federal*  
11 *Government upon such achievement;*

12 *(2) to improve teacher quality and subject mat-*  
13 *ter mastery, especially in math, reading, and science;*

1           (3) to empower parents and schools to effectively  
2           address the needs of their children and students;

3           (4) to give States and communities maximum  
4           freedom in determining how to boost academic  
5           achievement and implement education reforms;

6           (5) to eliminate Federal barriers to imple-  
7           menting effective State and local education programs;

8           (6) to hold States and communities accountable  
9           for boosting the academic achievement of all students,  
10          especially disadvantaged children; and

11          (7) to narrow achievement gaps between the low-  
12          est and highest performing groups of students so that  
13          no child is left behind.

14   **SEC. 3. PERFORMANCE AGREEMENT.**

15          (a) *PROGRAM AUTHORIZED.*—A State may, at its op-  
16          tion, execute a performance agreement with the Secretary  
17          under which the provisions of law described in section 4(a)  
18          shall not apply to such State except as otherwise provided  
19          in this Act.

20          (b) *LOCAL INPUT.*—States shall provide parents,  
21          teachers, and local schools and districts notice and oppor-  
22          tunity to comment on any proposed performance agreement  
23          prior to submission to the Secretary as provided under gen-  
24          eral State law notice and comment provisions.

1       (c) *APPROVAL OF PERFORMANCE AGREEMENT.*—A  
 2   performance agreement submitted to the Secretary under  
 3   this section shall be considered as approved by the Secretary  
 4   within 60 days after receipt of the performance agreement  
 5   unless the Secretary provides a written determination to  
 6   the State that the performance agreement fails to satisfy  
 7   the requirements of this Act before the expiration of the 60-  
 8   day period.

9       (d) *TERMS OF PERFORMANCE AGREEMENT.*—Each  
 10   performance agreement executed pursuant to this Act shall  
 11   include the following provisions:

12           (1) *TERM.*—A statement that the term of the per-  
 13   formance agreement shall be 5 years.

14           (2) *APPLICATION OF PROGRAM REQUIRE-*  
 15   *MENTS.*—A statement that no program requirements  
 16   of any program included by the State in the perform-  
 17   ance agreement shall apply, except as otherwise pro-  
 18   vided in this Act.

19           (3) *LIST.*—A list provided by the State of the  
 20   programs that it wishes to include in the performance  
 21   agreement.

22           (4) *USE OF FUNDS TO IMPROVE STUDENT*  
 23   *ACHIEVEMENT.*—A 5-year plan describing how the  
 24   State intends to combine and use the funds from pro-  
 25   grams included in the performance agreement to ad-

1        *vance the education priorities of the State, improve*  
2        *student achievement, and narrow achievement gaps*  
3        *between students.*

4            (5) *ACCOUNTABILITY REQUIREMENTS.—If a*  
5        *State includes any part of title I of the Elementary*  
6        *and Secondary Education Act of 1965 in its perform-*  
7        *ance agreement, the State shall include a certification*  
8        *that the State has done the following:*

9            (A)(i) *developed and implemented the chal-*  
10        *lenging State content standards, challenging*  
11        *State student performance standards, and*  
12        *aligned assessments described in section 1111(b)*  
13        *of the Elementary and Secondary Education Act*  
14        *of 1965; or*

15            (ii) *developed and implemented a system to*  
16        *measure the degree of change from one school*  
17        *year to the next in student performance;*

18            (B) *developed and is implementing a state-*  
19        *wide accountability system that has been or is*  
20        *reasonably expected to be effective in substan-*  
21        *tially increasing the numbers and percentages of*  
22        *all students who meet the State’s proficient and*  
23        *advanced levels of performance;*

24            (C) *established a system under which assess-*  
25        *ment information may be disaggregated within*

1        *each State, local educational agency, and school*  
2        *by each major racial and ethnic group, gender,*  
3        *English proficiency status, migrant status, and*  
4        *by economically disadvantaged students as com-*  
5        *pared to students who are not economically dis-*  
6        *advantaged (except that such disaggregation*  
7        *shall not be required in cases in which the num-*  
8        *ber of students in any such group is insufficient*  
9        *to yield statistically reliable information or*  
10       *would reveal the identity of an individual stu-*  
11       *dent);*

12                *(D) established specific, measurable, numer-*  
13        *ical performance objectives for student achieve-*  
14        *ment, including a definition of performance con-*  
15        *sidered to be proficient by the State on the aca-*  
16        *demic assessment instruments described under*  
17        *subparagraph (A);*

18                *(E) developed and implemented a statewide*  
19        *system for holding its local educational agencies*  
20        *and schools accountable for student performance*  
21        *that includes—*

22                        *(i) a procedure for identifying local*  
23                        *educational agencies and schools in need of*  
24                        *improvement, using the assessments de-*  
25                        *scribed under subparagraph (A);*

1                   (ii) assisting and building capacity in  
 2                   local educational agencies and schools iden-  
 3                   tified as in need of improvement to improve  
 4                   teaching and learning; and

5                   (iii) implementing corrective actions  
 6                   after no more than 3 years if the assistance  
 7                   and capacity building under clause (ii) is  
 8                   not effective.

9                   (6) *PERFORMANCE GOALS.*—

10                  (A) *STUDENT ACADEMIC ACHIEVEMENT.*—  
 11                  Each State shall establish annual student per-  
 12                  formance goals for the 5-year term of the per-  
 13                  formance agreement that, at a minimum—

14                   (i) establish a single high standard of  
 15                   performance for all students;

16                   (ii) take into account the progress of  
 17                   students from every local educational agen-  
 18                   cy and school in the State;

19                   (iii) are based primarily on the State's  
 20                   challenging content and student perform-  
 21                   ance standards and assessments described  
 22                   under paragraph (5)(A);

23                   (iv) include specific annual improve-  
 24                   ment goals in each subject and grade in-  
 25                   cluded in the State assessment system,

1           *which must include, at a minimum, read-*  
 2           *ing or language arts and math;*

3           *(v) compares the proportions of stu-*  
 4           *dents at the “basic”, “proficient”, and “ad-*  
 5           *vanced” levels of performance (as defined by*  
 6           *the State) with the proportions of students*  
 7           *at each of the 3 levels in the same grade in*  
 8           *the previous school year;*

9           *(vi) includes annual numerical goals*  
 10          *for improving the performance of each*  
 11          *group specified in paragraph (5)(C) and*  
 12          *narrowing gaps in performance between the*  
 13          *highest and lowest performing students in*  
 14          *accordance with section 10(b); and*

15          *(vii) requires all students in the State*  
 16          *to make substantial gains in achievement.*

17          *(B) ADDITIONAL INDICATORS OF PERFORM-*  
 18          *ANCE.—A State may identify in the performance*  
 19          *agreement any additional indicators of perform-*  
 20          *ance such as graduation, dropout, or attendance*  
 21          *rates.*

22          *(C) CONSISTENCY OF PERFORMANCE MEAS-*  
 23          *URES.—A State shall maintain, at a minimum,*  
 24          *the same level of challenging State student per-*

1        *formance standards and assessments throughout*  
2        *the term of the performance agreement.*

3        (7) *FISCAL RESPONSIBILITIES.*—*An assurance*  
4        *that the State will use fiscal control and fund ac-*  
5        *counting procedures that will ensure proper disburse-*  
6        *ment of, and accounting for, Federal funds paid to*  
7        *the State under this Act.*

8        (8) *CIVIL RIGHTS.*—*An assurance that the State*  
9        *will meet the requirements of applicable Federal civil*  
10       *rights laws.*

11       (9) *PRIVATE SCHOOL PARTICIPATION.*—

12                (A) *EQUITABLE PARTICIPATION.*—*An assur-*  
13        *ance that the State will provide for the equitable*  
14        *participation of students and professional staff*  
15        *in private schools.*

16                (B) *APPLICATION OF BYPASS.*—*An assur-*  
17        *ance that sections 14504, 14505, and 14506 of*  
18        *the Elementary and Secondary Education Act of*  
19        *1965 (20 U.S.C. 8894, 8895, and 8896) shall*  
20        *apply to all services and assistance provided*  
21        *under this Act in the same manner as they*  
22        *apply to services and assistance provided in ac-*  
23        *cordance with section 14503 of such Act.*

24        (10) *STATE FINANCIAL PARTICIPATION.*—*An as-*  
25        *surance that the State will not reduce the level of*

1        *spending of State funds for elementary and secondary*  
2        *education during the term of the performance agree-*  
3        *ment.*

4            (11) *ANNUAL REPORT.*—*An assurance that not*  
5        *later than 1 year after the execution of the perform-*  
6        *ance agreement, and annually thereafter, each State*  
7        *shall disseminate widely to parents and the general*  
8        *public, submit to the Secretary, distribute to print*  
9        *and broadcast media, and post on the Internet, a re-*  
10       *port that includes—*

11            (A) *student academic performance data,*  
12            *disaggregated as provided in paragraph (5)(C);*  
13            *and*

14            (B) *a detailed description of how the State*  
15            *has used Federal funds to improve student aca-*  
16            *ademic performance and reduce achievement gaps*  
17            *to meet the terms of the performance agreement.*

18        (e) *SPECIAL RULE.*—*If a State does not include any*  
19        *part of title I of the Elementary and Secondary Education*  
20        *Act of 1965 in its performance agreement, the State shall—*

21            (1) *certify that it has developed a system to*  
22            *measure the academic performance of all students;*  
23            *and*

1           (2) *establish challenging academic performance*  
2           *goals for such other programs using academic assess-*  
3           *ment data described in paragraph (5).*

4           (f) *AMENDMENT TO PERFORMANCE AGREEMENT.—A*  
5           *State may submit an amendment to the performance agree-*  
6           *ment to the Secretary under the following circumstances:*

7           (1) *REDUCE SCOPE OF PERFORMANCE AGREE-*  
8           *MENT.—Not later than 1 year after the execution of*  
9           *the performance agreement, a State may amend the*  
10           *performance agreement through a request to withdraw*  
11           *a program from such agreement. If the Secretary ap-*  
12           *proves the amendment, the requirements of existing*  
13           *law shall apply for any program withdrawn from the*  
14           *performance agreement.*

15           (2) *EXPAND SCOPE OF PERFORMANCE AGREE-*  
16           *MENT.—Not later than 1 year after the execution of*  
17           *the performance agreement, a State may amend its*  
18           *performance agreement to include additional pro-*  
19           *grams and performance indicators for which it will*  
20           *be held accountable.*

21           (3) *APPROVAL OF AMENDMENT.—An amendment*  
22           *submitted to the Secretary under this subsection shall*  
23           *be considered as approved by the Secretary within 60*  
24           *days after receipt of the amendment unless the Sec-*  
25           *retary provides a written determination to the State*

1        *that the performance agreement if amended by the*  
2        *amendment would fail to satisfy the requirements of*  
3        *this Act, before the expiration of the 60-day period.*

4    **SEC. 4. ELIGIBLE PROGRAMS.**

5        *(a) ELIGIBLE PROGRAMS.—The provisions of law re-*  
6        *ferred to in section 3(a) except as otherwise provided in*  
7        *subsection (b), are as follows:*

8                *(1) Part A of title I of the Elementary and Sec-*  
9                *ondary Education Act of 1965.*

10               *(2) Part B of title I of the Elementary and Sec-*  
11               *ondary Education Act of 1965.*

12               *(3) Part C of title I of the Elementary and Sec-*  
13               *ondary Education Act of 1965.*

14               *(4) Part D of title I of the Elementary and Sec-*  
15               *ondary Education Act of 1965.*

16               *(5) Part B of title II of the Elementary and Sec-*  
17               *ondary Education Act of 1965.*

18               *(6) Section 3132 of title III of the Elementary*  
19               *and Secondary Education Act of 1965.*

20               *(7) Title IV of the Elementary and Secondary*  
21               *Education Act of 1965.*

22               *(8) Title VI of the Elementary and Secondary*  
23               *Education Act of 1965.*

24               *(9) Section 307 of the Department of Education*  
25               *Appropriation Act of 1999.*

1           (10) *Comprehensive school reform programs as*  
 2           *authorized under section 1502 of the Elementary and*  
 3           *Secondary Education Act of 1965 and described on*  
 4           *pages 96–99 of the Joint Explanatory Statement of*  
 5           *the Committee of Conference included in House Re-*  
 6           *port 105–390 (Conference Report on the Departments*  
 7           *of Labor, Health and Human Services, and Edu-*  
 8           *cation, and Related Agencies Appropriations Act,*  
 9           *1998).*

10           (11) *Part C of title VII of the Elementary and*  
 11           *Secondary Education Act of 1965.*

12           (12) *Title III of the Goals 2000: Educate Amer-*  
 13           *ica Act.*

14           (13) *Sections 115 and 116, and parts B and C*  
 15           *of title I of the Carl D. Perkins Vocational Technical*  
 16           *Education Act.*

17           (14) *Subtitle B of title VII of the Stewart B.*  
 18           *McKinney Homeless Assistance Act.*

19           (b) *ALLOCATIONS TO STATES.*—A State may choose to  
 20           *consolidate funds from any or all of the programs described*  
 21           *in subsection (a) without regard to the program require-*  
 22           *ments of the provisions referred to in such subsection, except*  
 23           *that the proportion of funds made available for national*  
 24           *programs and allocations to each State for State and local*

1 *use, under such provisions, shall remain in effect unless oth-*  
2 *erwise provided.*

3       (c) *USES OF FUNDS.—Funds made available under*  
4 *this Act to a State shall be used for any elementary and*  
5 *secondary educational purposes permitted by State law of*  
6 *the participating State.*

7 **SEC. 5. WITHIN-STATE DISTRIBUTION OF FUNDS.**

8       (a) *IN GENERAL.—The distribution of funds from pro-*  
9 *grams included in a performance agreement from a State*  
10 *to a local educational agency within the State shall be de-*  
11 *termined by the Governor of the State and the State legisla-*  
12 *ture. In a State in which the constitution or State law des-*  
13 *ignates another individual, entity, or agency to be respon-*  
14 *sible for education, the allocation of funds from programs*  
15 *included in the performance agreement from a State to a*  
16 *local educational agency within the State shall be deter-*  
17 *mined by that individual, entity, or agency, in consultation*  
18 *with the Governor and State Legislature. Nothing in this*  
19 *section shall be construed to supersede or modify any provi-*  
20 *sion of a State constitution or State law.*

21       (b) *LOCAL INPUT.—States shall provide parents,*  
22 *teachers, and local schools and districts notice and oppor-*  
23 *tunity to comment on the proposed allocation of funds as*  
24 *provided under general State law notice and comment pro-*  
25 *visions.*

1       (c) *LOCAL HOLD HARMLESS OF PART A TITLE 1*  
 2 *FUNDS.*—

3           (1) *IN GENERAL.*—*In the case of a State that in-*  
 4 *cludes part A of title I of the Elementary and Sec-*  
 5 *ondary Education Act of 1965 in the performance*  
 6 *agreement, the agreement shall provide an assurance*  
 7 *that each local educational agency shall receive under*  
 8 *the performance agreement an amount equal to or*  
 9 *greater than the amount such agency received under*  
 10 *part A of title I of such Act in the fiscal year pre-*  
 11 *ceding the fiscal year in which the performance agree-*  
 12 *ment is executed.*

13           (2) *PROPORTIONATE REDUCTION.*—*If the amount*  
 14 *made available to the State from the Secretary for a*  
 15 *fiscal year is insufficient to pay to each local edu-*  
 16 *cational agency the amount made available under*  
 17 *part A of title I of the Elementary and Secondary*  
 18 *Education Act of 1965 to such agency for the pre-*  
 19 *ceding fiscal year, the State shall reduce the amount*  
 20 *each local educational agency receives by a uniform*  
 21 *percentage.*

22 **SEC. 6. LOCAL PARTICIPATION.**

23       (a) *NONPARTICIPATING STATE.*—

24           (1) *IN GENERAL.*—*If a State chooses not to sub-*  
 25 *mit a performance agreement under this Act, any*

1        *local educational agency in such State is eligible, at*  
 2        *its option, to submit to the Secretary a performance*  
 3        *agreement in accordance with this section.*

4            (2) *AGREEMENT.—The terms of a performance*  
 5        *agreement between an eligible local educational agen-*  
 6        *cy and the Secretary shall specify the programs to be*  
 7        *included in the performance agreement, as agreed*  
 8        *upon by the State and the agency, from the list under*  
 9        *section 4(a).*

10        (b) *STATE APPROVAL.—When submitting a perform-*  
 11        *ance agreement to the Secretary, an eligible local edu-*  
 12        *cational agency described in subsection (a) shall provide*  
 13        *written documentation from the State in which such agency*  
 14        *is located that it has no objection to the agency’s proposal*  
 15        *for a performance agreement.*

16        (c) *APPLICATION.—*

17            (1) *IN GENERAL.—Except as provided in this*  
 18        *section, and to the extent applicable, the requirements*  
 19        *of this Act shall apply to an eligible local educational*  
 20        *agency that submits a performance agreement in the*  
 21        *same manner as the requirements apply to a State.*

22            (2) *EXCEPTIONS.—The following provisions shall*  
 23        *not apply to an eligible local educational agency:*

1 (A) *WITHIN STATE DISTRIBUTION FORMULA*  
 2 *NOT APPLICABLE.*—*The formula for the alloca-*  
 3 *tion of funds under section 5 shall not apply.*

4 (B) *STATE SET ASIDE SHALL NOT APPLY.*—  
 5 *The State set aside for administrative funds in*  
 6 *section 7 shall not apply.*

7 **SEC. 7. LIMITATIONS ON STATE AND LOCAL EDUCATIONAL**  
 8 **AGENCY ADMINISTRATIVE EXPENDITURES.**

9 (a) *IN GENERAL.*—*Except as otherwise provided under*  
 10 *subsection (b), a State that includes part A of title I of*  
 11 *the Elementary and Secondary Education Act of 1965 in*  
 12 *the performance agreement may use not more than 1 per-*  
 13 *cent of such total amount of funds allocated to such State*  
 14 *under the programs included in the performance agreement*  
 15 *for administrative purposes.*

16 (b) *EXCEPTION.*—*A State that does not include part*  
 17 *A of title I of the Elementary and Secondary Education*  
 18 *Act of 1965 in the performance agreement may use not more*  
 19 *than 3 percent of the total amount of funds allocated to*  
 20 *such State under the programs included in the performance*  
 21 *agreement for administrative purposes.*

22 (c) *LOCAL EDUCATIONAL AGENCY.*—*A local edu-*  
 23 *cational agency participating in this Act under a perform-*  
 24 *ance agreement under section 6 may not use for adminis-*  
 25 *trative purposes more than 4 percent of the total amount*

1 *of funds allocated to such agency under the programs in-*  
 2 *cluded in the performance agreement.*

3 **SEC. 8. PERFORMANCE REVIEW.**

4       (a) *MID-TERM PERFORMANCE REVIEW.*—*If, during*  
 5 *the 5 year term of the performance agreement, student*  
 6 *achievement significantly declines for 3 consecutive years*  
 7 *in the academic performance categories established in the*  
 8 *performance agreement, the Secretary may, after notice and*  
 9 *opportunity for a hearing, terminate the agreement*

10       (b) *FAILURE TO MEET TERMS.*—*If at the end of the*  
 11 *5-year term of the performance agreement a State has not*  
 12 *substantially met the performance goals submitted in the*  
 13 *performance agreement, the Secretary shall, after notice and*  
 14 *an opportunity for a hearing, terminate the performance*  
 15 *agreement and the State shall be required to comply with*  
 16 *the program requirements, in effect at the time of termi-*  
 17 *nation, for each program included in the performance*  
 18 *agreement.*

19       (c) *PENALTY FOR FAILURE TO IMPROVE STUDENT*  
 20 *PERFORMANCE.*—*If a State has made no progress toward*  
 21 *achieving its performance goals by the end of the term of*  
 22 *the agreement, the Secretary may reduce funds for State*  
 23 *administrative costs for each program included in the per-*  
 24 *formance agreement by up to 50 percent for each year of*

1 *the 2-year period following the end of the term of the per-*  
 2 *formance agreement.*

3 **SEC. 9. RENEWAL OF PERFORMANCE AGREEMENT.**

4 (a) *NOTIFICATION.*—*A State that wishes to renew its*  
 5 *performance agreement shall notify the Secretary of its re-*  
 6 *newal request not less than 6 months prior to the end of*  
 7 *the term of the performance agreement.*

8 (b) *RENEWAL REQUIREMENTS.*—*A State that has met*  
 9 *or has substantially met its performance goals submitted*  
 10 *in the performance agreement at the end of the 5-year term*  
 11 *may reapply to the Secretary to renew its performance*  
 12 *agreement for an additional 5-year period. Upon the com-*  
 13 *pletion of the 5-year term of the performance agreement or*  
 14 *as soon thereafter as the State submits data required under*  
 15 *the agreement, the Secretary shall renew, for an additional*  
 16 *5-year term, the performance agreement of any State that*  
 17 *has met or has substantially met its performance goals.*

18 **SEC. 10. ACHIEVEMENT GAP REDUCTION REWARDS.**

19 (a) *CLOSING THE GAP REWARD FUND.*—

20 (1) *IN GENERAL.*—*To reward States that make*  
 21 *significant progress in eliminating achievement gaps*  
 22 *by raising the achievement levels of the lowest per-*  
 23 *forming students, the Secretary shall set aside suffi-*  
 24 *cient funds from the Fund for the Improvement of*  
 25 *Education under part A of title X of the Elementary*

1        *and Secondary Education Act of 1965 to grant a re-*  
 2        *ward to States that meet the conditions set forth in*  
 3        *subsection (b) by the end of their 5-year performance*  
 4        *agreement.*

5            (2) *REWARD AMOUNT.—The amount of the re-*  
 6        *ward referred to in paragraph (1) shall be not less*  
 7        *than 5 percent of funds allocated to the State during*  
 8        *the first year of the performance agreement for pro-*  
 9        *grams included in the agreement.*

10        (b) *CONDITIONS OF PERFORMANCE REWARD.—Subject*  
 11        *to paragraph (3), a State is eligible to receive a reward*  
 12        *under this section as follows:*

13            (1) *A State is eligible for such an award if the*  
 14        *State reduces by not less than 25 percent, over the 5-*  
 15        *year term of the performance agreement, the difference*  
 16        *between the percentage of highest and lowest per-*  
 17        *forming groups of students that meet the State’s defi-*  
 18        *inition of “proficient” as referenced in section*  
 19        *1111(b)(1)(D)(i)(II) of the Elementary and Sec-*  
 20        *ondary Education Act of 1965.*

21            (2) *A State is eligible for such an award if a*  
 22        *State increases the proportion of 2 or more groups of*  
 23        *students under section 3(d)(5)(C) that meet State pro-*  
 24        *ficiency standards by 25 percent.*

1           (3) *A State shall receive such an award if the*  
 2           *following requirements are met:*

3                   (A) *CONTENT AREAS.—The reduction in the*  
 4                   *achievement gap or improvement in achievement*  
 5                   *shall include not less than 2 content areas, one*  
 6                   *of which shall be mathematics or reading.*

7                   (B) *GRADES TESTED.—The reduction in the*  
 8                   *achievement gap or improvement in achievement*  
 9                   *shall occur in at least 2 grade levels.*

10           (c) *RULE OF CONSTRUCTION.—Student achievement*  
 11           *gaps shall not be considered to have been reduced in cir-*  
 12           *cumstances where the average academic performance of the*  
 13           *highest performing quintile of students has decreased.*

14   **SEC. 11. STRAIGHT A'S PERFORMANCE REPORT.**

15           *The Secretary shall make the annual State reports de-*  
 16           *scribed in section 3 available to the House Committee on*  
 17           *Education and the Workforce and the Senate Committee on*  
 18           *Health, Education, Labor and Pensions not later than 60*  
 19           *days after the Secretary receives the report.*

20   **SEC. 12. APPLICABILITY OF TITLE XIV OF THE ELEMENTARY**  
 21           **AND SECONDARY EDUCATION ACT OF 1965.**

22           *To the extent that provisions of title XIV of the Ele-*  
 23           *mentary and Secondary Education Act of 1965 are incon-*  
 24           *sistent with this Act, this Act shall be construed as super-*  
 25           *seding such provisions.*

1 **SEC. 13. APPLICABILITY OF GENERAL EDUCATION PROVI-**  
 2 **SIONS ACT.**

3 *To the extent that the provisions of the General Edu-*  
 4 *cation Provisions Act are inconsistent with this Act, this*  
 5 *Act shall be construed as superseding such provisions, ex-*  
 6 *cept where relating to civil rights, withholding of funds and*  
 7 *enforcement authority, and family educational and privacy*  
 8 *rights.*

9 **SEC. 14. APPLICABILITY TO HOME SCHOOLS.**

10 *Nothing in this Act shall be construed to affect home*  
 11 *schools whether or not a home school is treated as a private*  
 12 *school or home school under State law.*

13 **SEC. 15. GENERAL PROVISIONS REGARDING NON-RECIPI-**  
 14 **ENT, NON-PUBLIC SCHOOLS.**

15 *Nothing in this Act shall be construed to permit, allow,*  
 16 *encourage, or authorize any Federal control over any aspect*  
 17 *of any private, religious, or home school, whether or not*  
 18 *a home school is treated as a private school or home school*  
 19 *under State law.*

20 **SEC. 16. DEFINITIONS.**

21 *For the purpose of this Act:*

22 (1) *ALL STUDENTS.*—*The term “all students”*  
 23 *means all students attending public schools or charter*  
 24 *schools that are participating in the State’s account-*  
 25 *ability and assessment system.*

1           (2) *ALL SCHOOLS.*—*The term “all schools”*  
2           *means all schools that are participating in the State’s*  
3           *accountability and assessment system.*

4           (3) *LOCAL EDUCATIONAL AGENCY.*—*The term*  
5           *“local educational agency” has the same meaning*  
6           *given such term in section 14101 of the Elementary*  
7           *and Secondary Education Act of 1965 (20 U.S.C.*  
8           *8801).*

9           (4) *SECRETARY.*—*The term “Secretary” means*  
10          *the Secretary of Education.*

11          (5) *STATE.*—*The term “State” means each of the*  
12          *50 States, the District of Columbia, the Common-*  
13          *wealth of Puerto Rico, Guam, the United States Vir-*  
14          *gin Islands, the Commonwealth of the Northern Mar-*  
15          *iana Islands, and American Samoa.*